

## Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 168955

13

ORIGIN ARA-20

INFO OCT-01 ISO-00 SP-03 AID-20 EB-11 NSC-07 RSC-01

CIEP-03 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 CIAE-00

COME-00 FRB-03 INR-11 NSAE-00 XMB-07 OPIC-12 LAB-06

SIL-01 COA-02 AGR-20 INT-08 /167 R

DRAFTED BY ARA/ECP:MDAVILA:MB

APPROVED BY ARA/ECP:WEKNEPER

ARA-LA/EP:MFRECHETTE (DRAFT)

EB/GCP:DDUNFORD (DRAFT)

TREASURY:JJOHNSON (DRAFT)

COMMERCE:RRODRIGUEZ (DRAFT)

STR:BSTEINBOCK (DRAFT)

----- 087334

R 022131Z AUG 74

FM SECSTATE WASHDC

TO AMEMBASSY LIMA

LIMITED OFFICIAL USE STATE 168955

E.O. 11652: N/A

TAGS: ETRD, PE

SUBJECT: INVENTORY OF PERU TRADE PROBLEMS

1. ONE OF THE KEY AREAS OF LATIN AMERICAN CONCERN HAS BEEN THAT OF US-LATIN AMERICAN TRADE ISSUES. THIS WAS HIGH-LIGHTED BY THE MEXICO CITY AND WASHINGTON FOREIGN MINISTERS' MEETINGS AND BY AMBASSADOR EBERLE'S TRADE CONSULTATION TRIP TO LATIN AMERICA. AS A FOLLOW-UP TO THE SECRETARY'S INITIATIVES IN THE TRADE FIELD, THE DEPARTMENT IS IDENTIFYING THE SIGNIFICANT COUNTRY-SPECIFIC TRADE PROBLEMS OF THE REGION.

2. IN THIS CONNECTION, THE DEPARTMENT HAS PREPARED A PRELIMINARY INVENTORY OF SIGNIFICANT TRADE ISSUES AFFECTING

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 168955

PERU (SEE PARA. 3). THE ISSUES HAVE BEEN GROUPED UNDER

FOUR GENERAL HEADINGS WHICH INCLUDE PROBLEMS THAT PERU HAS WITH THE US AS WELL AS PROBLEMS WE HAVE WITH THEM. THE EMBASSY IS REQUESTED TO REVIEW THE LISTING AND SUBMIT ANY ADDITIONS OR COMMENTS BY AUGUST 9.

3.A. PRINCIPAL PERUVIAN TRADE PROBLEMS WITH THE US:

1. CUBAN ASSETS CONTROL REGULATIONS: PERU HAS INCREASING TRADE WITH CUBA AND SOME OF THE PRODUCTS EXPORTED INCLUDE COMPONENTS MANUFACTURED BY US COMPANIES. A SPECIFIC CASE INVOLVES US MANUFACTURED DECK GEAR, WORTH ABOUT 5 MILLION DOLLARS, ON SHRIMP AND TUNA FISHING VESSELS WORTH ABOUT 25 MILLION DOLLARS BEING SOLD TO CUBA. IN THIS CASE NO SALES WERE LOST BY PERU BUT THE ANNOYANCE AND RESENTMENT REGARDING THESE US REGULATIONS COULD HURT SUBSIDIARIES OF US COMPANIES OR DISTRIBUTORS OF US PRODUCTS IN PERU.

2. PERUVIAN INTEREST IN EXPORTING BONITO TO US LABELLED AS TUNA: THE PERUVIANS ARGUE THAT BONITO IS JUST A VARIETY OF TUNA AND IF IT COULD BE SOLD IN THIS COUNTRY AS TUNA, AN ACCEPTED PRODUCT WITH A LARGE MARKET, PERU COULD EXPORT A GREAT DEAL OF IT.

3. TEXTILE AGREEMENT: THE PERUVIANS BELIEVE THAT THE FIVE MILLION SQUARE YARD CEILING ON EXPORTS TO THE US PROVIDED FOR IN THE TEXTILE BILATERAL AGREEMENT IS TOO LOW.

4. ACCESS TO CERTAIN RAW MATERIALS -- US FERROUS SCRAP.

B. PRINCIPAL US TRADE PROBLEMS WITH PERU:

1. PERU'S SUPPORT OF UNILATERAL PRODUCER EFFORTS IN CIPEC TO ESTABLISH A FLOOR PRICE FOR COPPER (ALTHOUGH SUCH PRICE WOULD NOT HAVE A SERIOUS IMPACT ON THE US ECONOMY).

C. PRINCIPAL PERUVIAN TRADE PROBLEMS WITH OTHER LATIN AMERICAN COUNTRIES: NONE IDENTIFIED.

D. PRINCIPAL PERUVIAN TRADE PROBLEMS WITH NON-LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 168955

HEMISPHERIC COUNTRIES: NONE IDENTIFIED. KISSINGER

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FOREIGN TRADE, ECONOMIC REPORTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 02 AUG 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** boyleja  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974STATE168955  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** MDAVILA:MB  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740212-0185  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19740877/aaaacojv.tel  
**Line Count:** 108  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN ARA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** boyleja  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 17 SEP 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <17 SEP 2002 by boyleja>; APPROVED <20 FEB 2003 by boyleja>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** INVENTORY OF PERU TRADE PROBLEMS  
**TAGS:** ETRD, PE  
**To:** LIMA  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005